

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

Illinois Commerce Commission	:	
On Its Own Motion	:	
	:	20-NOI-01
Notice of Inquiry Regarding Energy	:	
Affordability	:	

**AQUA ILLINOIS, INC.'S
INITIAL COMMENTS**

Dated: September 29, 2020

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Aqua Illinois, Inc. submits these Initial Comments in response to the Illinois Commerce Commission’s March 18, 2020 Notice of Inquiry (NOI) Regarding Energy Affordability.

I. Introduction

Aqua Illinois is a public utility that provides water and wastewater services to customers in certain areas of Kankakee, Vermilion, Will, Boone, Knox, Lake, Cook, DeKalb, Kane, Ogle, Winnebago, McHenry and Champaign Counties in the State of Illinois. Aqua Illinois offers the below responses to the Commission’s NOI questions to public utilities and all interested persons, therefore, from a water and wastewater public utility industry perspective. Aqua Illinois further offers the below responses to the extent the information is available to Aqua Illinois in the format requested or to the extent Aqua Illinois otherwise has useful information to provide the Commission, to aid the Commission in evaluating what information is available regarding the affordability of utility services, what the current state of the affordability of utility services is, and the impact on affordability of current programs and measures.

II. Responses to Questions to Public Utilities and All Interested Persons

A. Information and Reporting

1. Customer information by month and calendar year for the period beginning January 1, 2013 through December 31, 2019.

- a. The number of residential customer accounts that were disconnected during the period for non-payment and that remained disconnected (displacement) during the entire period.**

Please see Attachment – NOI Section A.1.a for the number of residential customer accounts that were disconnected during the period for non-payment and that remained disconnected during the entire period, by month, January 2013 – December 2019. Aqua Illinois understands the phrase “during the entire period” in this question to refer to the remaining reporting period (2013 – 2019).

- b. The number of residential customer accounts that were disconnected during the period and reconnected within 12 months.**

Please see Attachment – NOI Section A.1.b for the number of residential customer accounts that were disconnected during the period and reconnected within 12 months, by month, January 2013 – December 2019.

- c. The number of residential customer accounts that received service and had past due balances.**

Please see Attachment – NOI Section A.1.c for the number of residential accounts that received service and had past due balances, by month, June 2013 – December 2019. Please note, due to its historical nature, the January 2013 – May 2013 data is not available and cannot be replicated by Aqua Illinois’ Information Technology system. Please also note, the attached data includes accounts on deferred payment arrangements (DPAs).

- d. The number of residential customer accounts that were on deferred payment arrangements.**

Please see Attachment – NOI Section A.1.d for the number of residential customer

accounts that were on DPAs, by month, January 2013 – December 2019.

e. The number of residential customer accounts that were on an arrearage reduction program.

Aqua Illinois did not offer “arrearage reduction programs” 2013 – 2019 as Aqua Illinois understands that term. In 2018, however, Aqua Illinois began offering Aqua Aid, a Salvation Army-administered, grant-based bill payment assistance program. Please see the response and attachment to A.1.h below. (In July 2020, Aqua began offering a temporary Bill Payment Assistance Program in connection with its existing Aqua Aid program to provide COVID-19 related relief.)

f. The number of residential customer accounts for which the utility required a deposit and the average size of residential deposits.

Aqua Illinois did not assess deposits 2013 – 2019. Moreover, although it reserves the right to, Aqua Illinois does not assess deposits today.

g. The number of residential customer accounts that provided a medical certificate in response to a disconnection notice.

Please see Attachment – NOI Section A.1.g for the number of residential customer accounts that provided a medical certificate in response to a disconnection notice, by month, January 2013 – December 2019.

h. The amount of payment and the number of residential customer accounts that received bill payment assistance, including but not limited to low-income energy assistance programs such as the Low-Income Home Energy Assistance Program (LIHEAP), state programs such as the Percentage of Income Payment Program (PIPP), utility programs, and social service programs such as Catholic Charities, Salvation Army or other charitable service organizations.

Please see Attachment – NOI Section A.1.h for the amount of payment and the number of customers that received bill payment assistance through Aqua Aid, Aqua Illinois’ Salvation Army-

administered, grant-based bill payment assistance program, in 2018 and 2019. Aqua Aid began in August 2018. Please note that customer identifying information has been removed from Attachment – NOI Section A.1.h to preserve the confidential nature of the information.

2. Customer information by census block, census block group, census tract, zip code, zip code plus four and/or as many categories as are available, by month and calendar year for periods beginning with January 1, 2013 and through December 31, 2019.

Please see the response and attachment to Section A.1.d above for the number of residential customer accounts that were on deferred payment arrangements, by month, January 2013 – December 2019.

a. Number of accounts that received:

i. LIHEAP-Direct Vendor Payment

Not applicable. Aqua Illinois is a water and wastewater public utility. Accordingly, Aqua Illinois does not participate in LIHEAP.

ii. LIHEAP Reconnection/Emergency Assistance

Not applicable. Aqua Illinois is a water and wastewater public utility. Accordingly, Aqua Illinois does not participate in LIHEAP.

iii. Participated in PIPP

Not applicable. Aqua Illinois is a water and wastewater public utility. Accordingly, Aqua Illinois does not participate in LIHEAP.

b. Number of accounts that entered into a Deferred Payment Agreement (DPA) and:

i. Average arrearage amount

Please see Attachment – NOI Section A.2.b.i for the average total arrearage by service division, by month, June 2013 – December 2019. Please note, due to its historical nature, the January 2013 – May 2013 data responsive to this request is not available and cannot be replicated.

by Aqua Illinois' Information Technology system.

ii. Average monthly installment payment amount

Please see Attachment – NOI Section A.2.b.ii for the average monthly installment payment amount by zip code, by month, January 2013 – December 2019.

iii. Average length of DPA

Please see Attachment – NOI Section A.2.b.iii for the average length of DPAs in months by zip code, by month, January 2013 – December 2019.

iv. Number of DPAs by length of DPA (number of months)

Please see Attachment – NOI Section A.2.b.iv for the number of DPAs by length of DPA (number of months), by month, January 2013 – December 2019.

v. Number of DPA defaults

Please see Attachment – NOI Section A.2.b.v for the number of DPA defaults (both monthly payment arrangements (“M”) and medical hold payment arrangements (“H”)) by service district, by month, January 2016 – December 2019. Please note that pre-2016 data in a responsive format is not available due to system updates related to revisions to the Part 280 Rules effective in November 2014 and implemented by Aqua Illinois during 2015. Please also note that the data for each year is compounding.

vi. Number of DPA reinstatements

Please see Attachment – NOI Section A.2.b.vi for the number of DPA reinstatements, by zip code, by month, January 2016 – December 2019. Please note that pre-2016 data in a responsive format is not available due to systems updates related to revisions to the Part 280 rules effective in November 2014 and implemented by Aqua Illinois during 2015. Please also note that a customer may reinstate a DPA multiple times.

vii. Number of DPA renegotiations

Please see the response and attachment to Section A.2.b.vi. While Aqua Illinois renegotiates DPAs, if the customer desires a change to the term or monthly payment amount of an existing DPA, Aqua Illinois permits the customer to establish a new (rather than “renegotiated”) DPA.

viii. Number of DPA successfully completed

Please see Attachment – NOI Section A.2.b.viii for the number of successfully completed DPAs by zip code, by month, January 2013 – December 2019.

ix. Number of accounts that received energy service from an independent (natural gas or electricity) provider.

Not applicable. Aqua Illinois is a water and wastewater public utility. Accordingly, Aqua Illinois does not possess or have access to this information.

c. Number of accounts that were involuntarily disconnected for non-payment, including the number of such accounts that received energy service from a competitive retail (natural gas or electricity) provider.

Please see Attachment – NOI Section A.2.c for the number of accounts that were involuntarily disconnected for nonpayment, by zip code, by month, January 2013 – December 2019.

d. Number of accounts that were involuntarily disconnected during the period and that also had been disconnected previously within 24 months for non-payment.

Please see Attachment – NOI Section A.2.d for the number of accounts that were involuntarily disconnected during the period and that also had been disconnected previously within 24 months for non-payment, by zip code, by month, January 2013- December 2019.

e. Number of accounts that were involuntarily disconnected for furnace red-tag.

Not applicable. Aqua Illinois is a water and wastewater public utility. Accordingly, Aqua Illinois does not possess or have access to this information.

f. Number of accounts that were on an arrearage reduction program.

Please see the response to A.1.e above.

g. Number of chapter 7 or chapter 13 bankruptcies notices received where the utility is listed as a creditor.

Please see Attachment – NOI Section A.2.g for the number of bankruptcy notices that Aqua Illinois received, by zip code, by month, January 2013 – December 2019, where the customer listed Aqua Illinois as a creditor.

h. Is the above information by census block, census block group, census tract, zip code, or zip code plus four available electronically for mapping purposes? If not, why not and how can mapping be enabled with the information maintained by the utility?

Where possible, the information is provided by service district or zip code. Aqua Illinois' service areas are (or recently were) divided into districts or regions that given their origins—water and sewer utility systems typically begin as small private or municipal systems—generally correspond to relatively small municipal boundaries (like the Villages of Grant Park and Hawthorn Woods in Aqua Illinois' consolidated service territory). So, reporting by service region or district may reflect reporting that is more informative than reporting by zip code because the former reporting better aligns with Aqua Illinois' customers and the services that Aqua Illinois provides.

B. Credit and Collections Practices

Aqua Illinois' credit and collections practices are consistent with the practices outlined in the Commission's Part 280 Rules governing eligibility for service, deposits, billing, payments, refunds, and disconnection of service, as amended by the Commission effective November 2014 and implemented by Aqua Illinois by May 2016. *See generally* 83 Ill. Adm. Code, Part 280. In

2019, Aqua Illinois, working with the Commission's Consumer Services Division, comprehensively reviewed and updated its Rules, Regulations, and Conditions of Service tariffs to better align with the language of Part 280. Where reasonable, practicable, and appropriate, Aqua Illinois' credit and collections practices may be more generous to customers than the Part 280 Rules' minimum requirements, and Aqua Illinois accommodates customers in hardship situations in a nondiscriminatory manner.

1. Please identify and describe formal, written, and informal collection practice procedures.

Aqua Illinois' collection practices for active customer accounts align with and are driven by the procedures outlined in the Commission's Part 280 Rules, *see, e.g.*, 83 Ill. Adm. Code 280.60 (Payment), 280.65 (Late Payment Fee Waiver for Low Income Customers), and 280.130 (Disconnection of Service), and in Aqua Illinois' Commission-approved tariffs.

Aqua Illinois' collection practices for closed accounts are as follows. (Note, once an account has been closed, the system no longer considers the individual who was the previous customer to be an active Aqua Illinois "customer.") There are two occasions that prompt an account closure: (1) the customer vacates the premises; and (2) non-payment. In either situation, a final bill is issued. The final bill is due 25 days after it is issued. If the final bill is not paid 30 days past the due date, the account is sent as bad debt to a collection agency on the 15th day of the following month. Because the individual who was a previous customer is no longer an active Aqua Illinois "customer" at this point, however, any other notices issued to the individual would come from the collection agency.

2. If actual collection practices are different from formal or written procedures, explain the rationale for the modification.

Aqua Illinois' actual collection practices generally do not differ from the procedures described in the response to Section B.1 above. However, regarding Aqua Illinois' collection

practices for active customer accounts, although Commission Rule 280.60 provides that late payment fees may be assessed when payment has not been received by the utility within two days after the due date on the bill, 83 Ill. Adm. Code 280.60(c)(1), and, consistent with its tariffs, Aqua Illinois reserves the right to assess late payment fees at that time per Part 280, Aqua Illinois does not assess late payment fees unless payment has not been received by Aqua Illinois within seven days after the due date on the bill.

3. Identify how you can improve your existing collection practices and any plans for doing so.

Aqua Illinois is not aware of any plans to improve its existing collection practices. Aqua Illinois notes, however, that it is currently reviewing all customer accounts with past due balances exceeding the threshold for disconnection and affirmatively contacting the customer to offer additional bill payment assistance via its Aqua Aid program, to mitigate the potential for disconnection of service when the COVID-19 pandemic related moratorium on certain residential service disconnections is lifted.

4. Please identify and describe the training for utility representatives who interact with consumers (Customer Services Representatives or CSRs) and the tools available for consumers who have billing issues, such as:

a. Determining consumers' ability to pay their bills and challenges for consumers in doing so.

As a general matter, upon joining Aqua Illinois, all new hire employees are trained in the tools necessary to assist customers with billing inquiries of all kinds. Related topics covered in Banner, Aqua Illinois' Customer Information System (CIS), and in learning materials provided to new employees include, among others:

- Introduction to Bill Explanations;
- Bill Information tab/Vertical tabs;
- How is consumption measured?;
- Bill Detail;
- Sewer Billing (where applicable);

- Ledger Card History Query;
- Cancel & Rebill; and
- Payment Arrangements.

This information assists all Aqua Illinois employees in educating the customer regarding their service and their bill, and increasing employee and customer understanding of billing issues, concerns, and options.

More specifically, CSRs are trained to take income expense verifications (IEVs) and to offer a payment arrangement if the customer indicates a financial hardship or inability to pay. Aqua Illinois' Knowledge Management System provides CSRs specific procedures as tools to guide them through this process. The Knowledge Management System stores and retrieves knowledge to improve understanding, collaboration, and process alignment. It houses many of Aqua Illinois' standard workflows and processes to be used as reference by CSRs when serving customers.

b. Eligibility for public or private bill assistance.

Aqua Illinois CSRs are trained to, at the customer's election, self-certify a customer seeking bill payment assistance for eligibility (related to COVID-19) or to refer the customer directly to their local Salvation Army agency for assistance via Aqua Aid, Aqua Illinois' grant-based bill payment assistance program administered by the Salvation Army. Self-certification by a CSR requires the CSR to follow the IEV process to determine if the customer is eligible for Aqua Aid assistance based on the following criteria:

Eligibility

- Account must be in the name of the resident applying for assistance.
- Residential customers only. (No master meter, landlord, or commercial accounts.)
- Household income at/or below 200% poverty level (level 1 IEV) (or, temporarily, those who self-report that they have suffered a financial hardship as a result of the COVID-19 pandemic).
- Customer made a payment on their account within the last 90 days (unless they were affected by COVID-19).

Guidelines

- Program cannot create a credit balance.
- Program cannot be used for theft accounts.
- Aqua Aid funds can be used for a DPA if related to COVID-19.
- Aqua Aid is allowed once every 12 months (rolling) unless it is related to COVID-19.

If the customer is eligible for assistance, the CSR is trained to send an Electronic Work Que (EWQ), which CSRs use to communicate with the billing and other departments within Aqua Illinois, to the Aqua Aid administrator, requesting funds (\$150 for a water service only bill, and \$250 for a combined water and wastewater service bill) to be applied to the customer's account. Further, if the customer is requesting the bill payment assistance to establish a DPA, the CSR is trained to note this in an EQW.

The CSR's EQW notation prompts a review of the account. If, upon that review, eligibility for bill payment assistance is approved, a letter is mailed to the customer advising the amount that will be applied to the account. If the customer is ineligible for bill payment assistance based on the above criteria, the CSR will receive an email to contact the customer, advise the customer that they do not meet the eligibility requirements for assistance, and explain the reasoning for the rejection (for example, because of theft of services).

Aqua Illinois CSRs are also trained to generally refer a customer to other, outside bill payment assistance agencies for assistance. Eligibility for such outside assistance would be dependent on each agency's particular eligibility criteria. Aqua Illinois does not maintain in the regular course of its business a listing of the bill payment assistance agencies that are available in each service area. CSRs, however, typically generally refer customers to the Salvation Army, Catholic Charities, United Way, and churches. If a customer asks where they can find such programs in their area, CSRs are trained to advise the customer to check local papers, phone books,

etc. The customer is ultimately responsible, however, for identifying the specific bill payment assistance agencies available in their area.

c. Referrals to assistance programs and community services.

Please see the response to Section B.4.b above.

d. Consumer communication impediments.

Aqua Illinois understands “customer communication impediments” to refer to the communications barriers that may affect Aqua Illinois’ ability to assist customers whose first language is not English or customers who have hearing or speaking impediments. To effectively assist those customers, Aqua Illinois ensures the availability of Spanish-speaking CSRs. Aqua Illinois generally relies on customer-owned communications tools, such as assistive devices or technology, and services to communicate with those customers who have hearing or speaking impediments.

5. Please identify and describe tools used to encourage payment, including but not limited to detailed terms of deferred payment arrangements (including length of pay-back period and amount of payments), waiver of fees, and other discretionary accommodations.

Generally, Aqua Illinois uses the tools to encourage payment that are provided for by the Commission’s Part 280 Rules, including budget billing, DPAs, and medical certification installment plans. *See* 83 Ill. Adm. Code 280.80 (budget billing), 280.120 (DPAs), 280.125 (DPAs for low income customers), 280.160 (medical certification). Although the Commission’s Part 280 Rules also provide for deposits, Aqua Illinois currently does not require deposits for new customers or otherwise.

In light of the COVID-19 pandemic, Aqua Illinois is temporarily offering more flexible DPAs. Specifically, for residential customers who contact Aqua Illinois and express a financial hardship, Aqua Illinois is offering DPAs of up to 24 months with no down payment, no minimum

monthly payment, and no minimum monthly term. For all other residential (non-financial hardship) customers, Aqua Illinois is offering DPAs of up to 18 months with only 10% of arrearage down payment, no minimum monthly payment, and no minimum monthly term.

Aqua Illinois also offers additional accommodations for low income customers, such as late payment fee waivers. *See* 83 Ill. Adm. Code 280.65. (Aqua Illinois notes that late payment fees and disconnection notices, which Part 280 also provides for, may otherwise encourage customers to pay their bills.)

Aqua Illinois also uses extended due dates. *See* 83 Ill. Adm. Code 280.70 (Preferred Payment Date). Extended due dates allow a customer to have a due date that works best for them within 10 days of their current due date. Extended due dates particularly accommodate those customers who are paid once per month.

Aqua Illinois also offers aid to customers who have difficulty paying a past due balance on their water or wastewater service bill via its Aqua Aid program. Please see the response to Section B.4.b above. Aqua Illinois has temporarily expanded the assistance available via its Aqua Aid program given the COVID-19 pandemic. Aqua Aid is available for residential customers (no master meter, landlord, or commercial accounts) who are low-income or who are financially burdened by the COVID-19 pandemic. Aqua Illinois is currently reviewing all customer accounts that are newly delinquent in their payment history or with past due balances exceeding the threshold for disconnection and affirmatively contacting the customer to educate the customer on the current status of their account, encourage payment, and offer additional bill payment assistance via the Aqua Aid program to mitigate the potential for disconnection of service when the moratorium on certain residential service disconnections is lifted.

6. Please identify and describe tools to reduce delinquencies and disconnections, including new or expanded bill affordability programs

such as percentage of income payment plans, discount rates, consumer education, expanding existing shutoff protections, customer payment plans, and flexible bill due dates.

Please see the responses to Sections B.4.b and B.5 above and Section E below. Aqua Illinois has not presently identified additional measures to reduce delinquencies and disconnections.

Questions to All Interested Persons

C. Definitions

1. How should the following terms be defined? Are there federal or other state standards or guidelines that more clearly define these terms?

Aqua Illinois' responses to Section C are specifically informed by the water and wastewater public utility industry and Aqua Illinois' general awareness of practices in other states.

a. Affordability

Aqua Illinois is not aware of a statute-, administrative rule-, or tariff-based definition of “affordability” and does not itself have a specific definition of “affordability.” Aqua Illinois notes that the utility customer assistance programs of which it is aware also do not provide a specific definition of “affordability” for utility service. As Aqua Illinois understands the term “affordability” in the context of utility service, however, it is highly subjective and generally refers to the individual customer’s ability to pay their utility bill. It must be balanced with the utility’s ability to recover the costs of providing utility service via cost-based utility rates, as provided for by Illinois and federal law. Aqua Illinois is also generally aware of American Water Works Association (AWWA) publications related to “affordability.”

b. Low-Income

Aqua Illinois notes that the Commission’s Part 280 Rules define “low-income” as

a residential customer who has qualified under the income criteria of Section 6 of the Energy Assistance Act of 1989 [305 ILCS 20/6]. Qualification is effective for

purposes of this definition when the Low Income Home Energy Assistance Program (LIHEAP) administrator notifies the customer's utility of the customer's low income status. Unless water and sewer utilities begin participation in a low income assistance program with the LIHEAP agencies, it shall be the individual customer's responsibility to notify and provide proof to the water and/or sewer utility of the customer's low income status under the income criteria of Section 6 of the Energy Assistance Act of 1989. . . .

83 Ill. Adm. Code 280.20.

Aqua Illinois is otherwise generally aware that “low-income” is defined by most state and federal statutes as a percentage of modified adjusted gross income relative to the federal poverty level (FPL) guidelines, usually 150% or 200% of the FPL.

c. Critical Medical Needs Customers

Aqua Illinois notes that the Commission's Part 280 Rules define “medical certificate” as written certification (though initial certification may be by phone) of medical necessity provided to the utility company by a doctor or the local department of public health. If a customer or occupant in the home is very sick, a medical certificate will provide the following documentation to the utility company: [n]ame and contact information for the certifying party; [s]ervice address and name of patient; [a] statement that the patient resides at the premises in question; and [a] statement that the disconnection of utility service will aggravate an existing medical emergency or create a medical emergency for the patient.

83 Ill. Adm. Code 280.20. Aqua Illinois further notes that Rule 280.160 requires public utilities to extend certain accommodations to customers that present a medical certificate that certifies that “the disconnection of utility service will aggravate an existing medical emergency or create a medical emergency for the patient.” 83 Ill. Adm. Code 280.160(d)(4). Aqua Illinois understands that this generally aligns with other state regulatory practices regarding medical certification in the utility bill payment context.

d. Delinquency

Aqua Illinois is not aware of an Illinois specific statute- or administrative rule-based definition of “delinquency” in the context of utility service bill payment and does not itself have a

specific definition of “delinquency.” Aqua Illinois notes, however, that the Commission’s Part 280 Rules define “past due” as “any amount unpaid for more than two days beyond the due date on a customer's utility account bill statement.” 83 Ill. Adm. Code 280.20. *See also* 83 Ill. Adm. Code 280.60(c)(1) (“Payment is late when it has not been received by the utility within two days after the due date on the bill.”). Aqua Illinois understands that this generally aligns with other state regulatory concepts of utility service bill payment. *See, e.g.,* 52 Pa. Code § 56.2 (defining a “delinquent” account as “charges for public utility service which have not been paid in full by the due date stated on the bill.”).

Aqua Illinois further notes that its Water System Acquisitions tariffs refer to a “delinquent” account as “[a]ny bill remaining unpaid 30 days after the past due date” ILL. C.C. No. 49 (Water System Acquisitions Rate Schedule), Section No. 9, First Revised Sheet No. 9 (Miscellaneous Charges).

e. Disconnection

Aqua Illinois is not aware of an Illinois specific statute-, administrative rule-, or tariff-based definition of “disconnection” in the context of utility service bill payment and does not itself have a specific definition of “disconnection.” As Aqua Illinois generally understands the term, it refers to the temporary or permanent cessation of utility service. Aqua Illinois notes that its water service tariffs establish the reasons for which Aqua Illinois, after notice, may “discontinue” service other than at the customer’s request (involuntarily cessation of service). *See* ILL. C.C. No. 49, Section 1 (Rules, Regulations, and Conditions of Service), Sheet No. 21 (Discontinuance of Water Service); ILL. C.C. No. 50, Section 1 (Rules, Regulations, and Conditions of Service - Sewer), Sheet No. 19 (Discontinuance of Service).

f. Displacement

Aqua Illinois is not aware of a specific statute-, administrative rule-, or tariff-based

definition of “displacement” in the context of utility service bill payment and does not itself have a specific definition of “displacement.”

g. Reconnection

Aqua Illinois is not aware of a specific statute-, administrative rule-, or tariff-based definition of “reconnection” in the context of utility service bill payment and does not itself have a specific definition of “reconnection.” Aqua Illinois notes, however, that its water service tariffs generally refer to “reconnection” in the context of service that is “restored.” ILL. C. C. No. 49, Section No. 1, Fifth Revised Sheet No. 25 (“Reconnection Charge. When it has been necessary to discontinue water service to any premises because of a violation of any Rule or Regulation or on account of nonpayment of any bill, the fee for reconnection shall be the amount stated in the applicable tariffs on file with the Commission, together with any arrears that may be due the Company for charges against the customer. The Company may require that all past due amounts be repaid before service is restored.”).

h. Vulnerable Customers

Aqua Illinois is not aware of a specific statute-, administrative rule-, or tariff-based definition of “vulnerable customer” in the context of utility service bill payment and does not itself have a specific definition of “vulnerable customer.” Aqua Illinois notes, however, that most utility customer bill payment assistance programs are designed to assist customers that are “low-income.”

2. Are there other undefined terms that are critical to understanding utility service affordability and/or the ability of customers to receive essential levels of electric, natural gas, water and wastewater services and, if so, how should such terms be defined?

Aqua Illinois has not identified any such undefined terms.

D. Information Collection and Reporting

1. Please identify any changes that could be made to current information reporting requirements that would better inform the Commission

regarding service affordability and/or the ability of customers to receive essential levels of utility services including the entities that should be required to provide the information. In your response please also address the format of such information collection, the authority for compelling the production of such information, and how the information should be publicly reported.

In addition to the data reported in response to this NOI (see Section A above), Aqua Illinois annually reports to the Commission regarding its costs of service (Form 22 ILCC - Annual Report of Water and/or Sewer Utilities) and, pursuant to the Commission's Part 280 Rules, collects and maintains data regarding certain customer metrics to be reported to the Commission upon Commission Staff's request. *See* 83 Ill. Adm. Code 280.30(k) (data collection and reporting related to applications for service); 280.160(h) (data collection and reporting related to medical certificates); 280.210(g) (data collection and reporting related to payment avoidance by location); 280.140(g) (data collection and reporting related to disconnection for lack of access to multi-meter premises); 280.40(k) (data collection and reporting related to deposits).

Further, pursuant to the Commission's June 18, 2020 Order in Docket 20-0309, Aqua Illinois is reporting additional customer metrics to the Commission on a monthly basis, including: the number of customers, by customer class; the number of customers, by customer class, disconnected during the period; the number of customers, by customer class, receiving disconnection notices during the period; the number of customers, by customer class, assessed late payment fees or charges during the period; the number of customers, by customer class, taking service at the beginning of the period under existing DPAs; the number of customers by customer class, completing DPAs during the period; the number of customers, by customer class, enrolling in new DPAs during the period; the number of customers, by customer class, renegotiating DPAs during the period; the number of customers taking service at the beginning of the period under existing medical payment arrangements; the number of customers completing medical payment

arrangements during the period; the number of customers enrolling in new medical payment arrangements during the period; and the number of customers renegotiating medical payment arrangements plans during the period. *See* Docket 20-0309, Final Order (June 18, 2020), Appx. 1 (Stipulation), Ex. A. Aqua Illinois is also temporarily reporting to the Commission on a quarterly basis costs related to COVID-19, including costs related to customer bill payment assistance. *See* Docket 20-0309, Final Order (June 18, 2020), Appx 1 (Stipulation), ¶ 12.

Aqua Illinois believes that this reporting represents meaningful and sufficient sources of data to inform the Commission regarding the ability of customers to receive water and wastewater utility services.

- 2. Please identify any additional information that might be collected that would better inform the Commission regarding service affordability and/or the ability of customers to receive essential levels of utility services including the entities that should be required to provide the information. In your response please also address the format of such information collection, the authority for compelling the production of such information, and how the information should be publicly reported.**

Please see the response to Section D.1 above.

E. Assistance Programs

- 1. What assistance programs are available to residential customers that help them pay for utility service and receive a continuous supply of essential utility services and how effective are these programs?**

Please see the responses to Section B.4.b and B.5 above. In addition to the payment assistance tools provided for by the Commission's Part 280 Rules and the accommodations being offered to customers given the COVID-19 pandemic, Aqua Illinois offers assistance to customers to the extent possible through its Aqua Aid program, an assistance program administered by local Salvation Army agencies designed to enable customers in need to receive uninterrupted water service. Some of the Salvation Army agencies also provide educational programs on managing

utility usage and bills.

Further, Aqua Illinois is generally aware of the federal Low Income Home Energy Assistance Program (LIHEAP), which provides bill payment assistance and initiatives to assist customers with energy costs. Because Aqua Illinois is not an energy public utility, it does not participate in LIHEAP.

2. What changes could make the programs more effective?

Aqua Illinois has not identified any specific changes that could make Aqua Aid or the assistance programs established by the Commission's Part 280 Rules more effective.

3. Identify appropriate criteria for evaluating program effectiveness.

Beyond the measures outlined in the Commission's Part 280 Rules (such as data collection and reporting), Aqua Illinois has not identified any additional specific criteria for evaluating the effectiveness of the assistance programs established by the rules. Aqua Illinois notes that the Salvation Army administers Aqua Aid.

4. What portion of the eligible population is served by existing assistance programs?

Please see the responses and attachments to Sections A.1.d (number of accounts on DPAs 2013 – 2019) and A.1.h (number of accounts receiving Aqua Aid funds 2018 – 2019).

5. What outside sources of funding other than the identified assistance programs do residential customers use to pay past due utility bills, such as tax refunds, credit cards or personal loans?

Aqua Illinois does not receive, record, or maintain information regarding outside funding sources, such as whether the customer is using a personal loan or tax refund to pay their utility bill, in the regular course of its business, and the information is otherwise outside Aqua Illinois' possession and control.

6. Are there programs not currently available in Illinois, including programs adopted in other states, that could increase affordability

and/or the ability of customers to receive essential levels of electric, natural gas, water and wastewater services?

A federal program similar to LIHEAP that provides bill payment assistance and initiatives to assist customers with water consumption costs may further benefit low income customers. Aqua Illinois is also generally aware that there are programs available in the states in which Aqua Illinois' affiliates operate, which Aqua Illinois understands may be similar to the existing programs in Illinois, that offer bill payment assistance to low income customers based on percentage of bill or income. Further, Aqua Illinois is generally aware of programs in other states, such as Pennsylvania, under which energy public utilities offer tariffed low-income utility service rates.

F. Credit and Collections Practices

1. Please identify and describe best collection practices and how existing collection practices can be improved.

Aqua Illinois' credit and collections practices are consistent with the practices outlined in the Commission's Part 280 Rules. Please see the responses to Sections B.1 – B.3 above.

2. Please identify and describe any concerns regarding privacy associated with collecting, storing and/or sharing of consumer information.

Aqua Illinois does not store customer personal data, including social security number, driver's license number, and credit card information. Other than to the Commission and approved parties pursuant to regulatory obligations, Aqua Illinois does not share other customer-identifying data that it maintains in the regular course of its business. Aqua Illinois may share such information if the customer authorizes such sharing, however, to a customer bill payment assistance program (such as a pledge organization).

3. Within the following subjects as they relate to affordability, please identify and describe practices/concepts that are currently working well, areas that can be improved and ideas/plans for improvement:

a. Communications/Outreach

Aqua Illinois believes its customer outreach efforts work well. Aqua Illinois communicates with customers via its website, social media messaging, bill inserts, and, most recently related to the COVID-19 pandemic, via separate paper mailings and written communications, individual customer contact through phone calls, radio spots, disconnection notice inserts, and coordination with local government and other leadership in Aqua Illinois' service areas, to make customers aware of the availability of bill payment assistance via Aqua Aid and to encourage customers to contact Aqua Illinois for assistance to take advantage of available bill payment assistance funds.

Further, Aqua Illinois communicates to customers, among other information, tips to help customers understand how they can prevent leaks, and in turn save money, on an ongoing basis. Aqua Illinois has dedicated a portion of its website—WaterSmart—to this customer education: <http://www.aquawatersmart.com/index.html>. Additionally, Aqua Illinois publishes a monthly blog (which is posted to Aqua Illinois' social media pages) related to educating customers on ways that they may reduce their utility service bills. All blog posts are shared via social channels. Recent posts concern, for example, conservation (<https://blog.aquaamerica.com/search.aspx?q=conservation>), identifying and remedying leaks ([https://blog.aquaamerica.com/post/2018/03/21/Save-Water-\(and-Cash\)-with-the-Ultimate-Leak-Fixing-Guide.aspx](https://blog.aquaamerica.com/post/2018/03/21/Save-Water-(and-Cash)-with-the-Ultimate-Leak-Fixing-Guide.aspx), <https://blog.aquaamerica.com/post/2019/03/19/Can-a-small-leak-do-much-damage.aspx>, <https://blog.aquaamerica.com/search.aspx?q=fix%20a%20leak%20week>), frozen pipes (<https://blog.aquaamerica.com/search.aspx?q=frozen%20pipes>), and fats, oils, and grease in pipes (<https://blog.aquaamerica.com/search.aspx?q=fats%20oils%20grease>).

b. CSR tools to identify consumer budget needs/challenges

Aqua Illinois notes that the meaning of the terms “consumer budget needs” and “consumer budget challenges” are vague and broad. Aqua Illinois understands them, however, to be highly subjective and to generally refer to the individual customer's financial situation. Aqua Illinois does

not have an automated tool to identify consumer budget needs/challenges. Rather, such challenges are identified in a conversation between the CSR and the customer at the time of the call. However, consistent with Commission Rule 280.80, Aqua Illinois CSRs are trained to inform customers of the availability of Aqua Illinois' budget payment plan and to encourage its use. Further, please see the responses to Sections B.4.a, B.4.b and B.5 above.

c. Encouraging payment

Please see the responses to Sections B.4.b and B.5 above.

d. Referrals to Community Services

Please see the response to Section B.4.c above.

e. Privacy and Consumer concerns about sharing data

Please see the response to Section F.2 above.

G. Energy Efficiency Measures

As a water and wastewater public utility, the questions in Section G are not applicable to Aqua Illinois. Aqua Illinois notes, however, that it continuously encourages customers to conserve water and educates customers regarding water conservation and efficiency measures, which may mitigate customers' water consumption and, in turn, their cost of water service. Please see the response to Section F.3.a above.

Aqua Illinois further notes that it is generally aware that energy efficiency related law in Illinois considers "cost-effectiveness," in part, in relation to reduced water consumption, among other quantifiable societal benefits. *See* 220 ILCS 5/8-103B (defining "Total Resource Cost Test" as "a standard that is met if, for an investment in Energy Efficiency or demand-response Measures, the benefit-cost ratio is greater than one. The benefit-cost ratio is the ratio of the net present value of the total benefits of the Program to the net present value of the total costs as calculated over the lifetime of the Measures. A Total Resource Cost Test compares the sum of avoided electric utility

costs, representing the benefits that accrue to the system and the Participant in the delivery of those efficiency Measures and including avoided costs associated with reduced use of natural gas or other fuels, *avoided costs associated with reduced water consumption*, and avoided costs associated with reduced operation and maintenance costs, *as well as other quantifiable societal benefits*, to the sum of all Incremental Costs of end-use Measures that are implemented due to the Program (including both utility and participant contributions), plus costs to administer, deliver, and evaluate each demand-side Program, to quantify the net savings obtained by substituting the demand-side Program for supply resources. . . .”) (emphasis added). *See also* 220 ILCS 5/8-104 (similarly defining “cost-effective”).

- 1. What current utility energy efficiency programs aimed at increasing the affordability and/or the ability of customers to receive essential levels of electric services are available and how effective are they?**
- 2. What energy efficiency information, surveys or other data are available that address the effect of utility energy efficiency program participation on affordability and/or the ability of customers to receive essential levels of electric services?**
- 3. With respect to energy efficiency technology penetration:**
 - a. How many customers continue to use incandescent light bulbs?**
 - b. How many customers have advanced thermostats?**
 - c. What existing energy efficiency technologies, if more widely deployed, can increase affordability and/or the ability of customers to receive essential levels of electric services?**
- 4. What changes could be made to utility energy efficiency programs to make them more effective at increasing the affordability and/or the ability of customers to receive essential levels of electric services?**
- 5. How effective are weatherization programs currently available to customers at increasing affordability and/or the ability of customers to receive essential levels of electric and natural gas services?**
- 6. Identify obstacles faced by low-income consumers that prevent them from participating in weatherization programs?**

- 7. What changes could be made to weatherization programs to make them more effective at increasing the affordability and/or the ability of customers to receive essential levels of electric services?**

H. Distributed and Community Solar

As a water and wastewater public utility, the questions in Section H are not applicable to Aqua Illinois. Aqua Illinois notes, however, that it plans to install solar panels at certain of its treatment plants to mitigate the costs of water and wastewater service to Illinois customers. Specifically, after investigating the feasibility of constructing a solar field at certain water and wastewater treatment plant locations in Illinois where suitable land was available, Aqua Illinois plans to install a two-megawatt facility at its Danville water treatment plant and a one-megawatt facility at its Manteno wastewater treatment plant. The main site selection driver was the availability of the Illinois Adjustable Block Program, which provided favorable pricing of Renewable Energy Credits (RECs) via 15-year contracts. Aqua Illinois owns suitable and available land at, and a direct electrical connection with, both plants. Aqua Illinois continually evaluates the cost of retail power, available grants, land availability, and power purchase agreements to identify opportunities mitigate the costs of water and wastewater service to Illinois customers.

- 1. What distributed and community solar programs are currently available to customers that increase affordability and/or the ability of customers to receive essential levels of electric services, how effective are the programs at achieving these objectives, and what changes could make the programs more effective?**
- 2. Are there programs not currently available in Illinois, including programs adopted in other states, that could increase affordability and/or the ability of customers to receive essential levels of electric services?**

III. Conclusion

Aqua Illinois appreciates the opportunity to provide these Initial Comments in response to the Commission's NOI regarding energy affordability, and looks forward to the opportunity to

review other stakeholders' comments and to provide reply comments, if appropriate. To the extent permissible by law, Aqua Illinois is, as always, available to discuss the information that it is providing in these Initial Comments and welcomes the Commission to contact the undersigned counsel should the Commission have any questions.

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Respectfully submitted,

AQUA ILLINOIS, INC.

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